



WILLIAM T. FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
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<http://ceo.lacounty.gov>

Board of Supervisors  
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Fifth District

February 3, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE AMENDMENT  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
2415 WEST SIXTH STREET, LOS ANGELES  
(FIRST DISTRICT) (3 VOTES)**

**SUBJECT**

This recommendation is for a five-year lease amendment for the Department of Public Social Services (DPSS) to provide continued use of existing office space.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, per Section 15061 (b) (3) of the State CEQA Guidelines.
2. Approve and instruct the Chairman to sign a five-year lease amendment with Isaac Moradi (Lessor) for DPSS to occupy 46,228 rentable square feet of office space and 100 parking spaces at 2415 West Sixth Street, Los Angeles, at an initial annual rental cost of \$887,580. The rental cost is 91 percent subvented by State and Federal funds and 9 percent is net County cost.

*"To Enrich Lives Through Effective And Caring Service"*

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### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

DPSS has occupied the facility since 1998. The current lease expired on April 22, 2008, and DPSS has since occupied the facility on a month-to-month holdover. This DPSS office serves the Wilshire Special District, a geographic area to the north and west of downtown Los Angeles. The facility's location is well suited to accommodate the highly concentrated clientele in the service area. The office provides direct services including General Relief, Food Stamps, Medi-Cal, and the Cash Assistance Program for Immigrants. DPSS has requested the lease extension be exercised for the continued operation of the program.

The DPSS Wilshire Special District Office was approved for 335 staff in 53,648 square feet; however, their existing space is 46,228 square feet and the department does not have sufficient resources to move to larger quarters at this time. To reduce overcrowding, DPSS is developing a plan to utilize available space and transfer staff to other offices with a goal to have a maximum of 290 staff in the facility. As the facility does not have adequate parking, with only 100 spaces onsite, the County leases 250 additional parking spaces in a nearby parking structure under a separate agreement with the Los Angeles Unified School District, which is also being renewed under a separate Board recommendation.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we provide the public with easy access to quality information and services that are both beneficial and responsive (Goal 1) and assist families' well-being (Goal 5). The proposed lease amendment supports these goals by providing quality information and services to families in the region.

### **FISCAL IMPACT/FINANCING**

The proposed lease amendment will continue to house DPSS in 46,228 square feet of office space with 100 onsite parking spaces for \$73,965 per month, or \$887,580 annually, with carpet, paint, and minor alterations included in the rent.

<b>2415 WEST SIXTH ST. LOS ANGELES</b>	<b>Existing Lease</b>	<b>Proposed Amendment</b>	<b>Change</b>
<b>Total Area</b>	46,228	46,228	None
<b>Term</b>	10 years (4/23/98-4/22/08) on month-to-month holdover	5 years upon Board approval	5 years
<b>Annual Base Rent</b>	\$653,550 (\$14.14/sq.ft.)	\$887,580 (\$19.20/sq.ft.)	+\$234,030 (\$5.06/sq.ft.)
<b>Base Tenant Improvement (TI) Allowance</b>	None included in rent	Carpet, paint and minor alterations	None
<b>Additional TI Allowance</b>	\$1,850,000 (\$40/sq.ft.)	None	No additional TIs
<b>Change Order Allowance</b>	\$92,500 (\$2.00/sq.ft.)	None	No Change Order
<b>Cancellation</b>	After the 60 <sup>th</sup> month, with 18 months notice	After the 24 <sup>th</sup> month, with 6 months notice	- 36 months
<b>Parking (included in rent)</b>	100	100	None
<b>Option to Renew</b>	One	One	None
<b>Rental Adjustment</b>	Consumer Price Index (CPI) capped at 5 percent	CPI capped at 5 percent	None
<b>Operating Expenses</b>	County pays electricity	County pays electricity	None

This is a modified gross lease whereby the Landlord is responsible for all operating costs associated with the County's occupancy, with the exception of electricity charges.

Sufficient funding for the proposed lease costs is included in the 2008-09 Rent Expense budget and will be billed back to DPSS. DPSS has sufficient funding in its 2008-09 operating budget to cover the projected lease costs. State and Federal subvention will be used to fund 91 percent of the rental costs, and the remaining 9 percent will be net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed five-year lease amendment will provide 46,228 square feet of office space and 100 parking spaces. The proposed amendment contains the following provisions:

- A five-year term commencing upon Board adoption.
- A preparation of premises provision providing new paint, carpet and conversion of the stock room to cubicles to be included in the base rental rate.
- A cancellation provision allowing the County to cancel anytime after 24 months with six months prior written notice.
- A modified gross basis whereby the Lessor is responsible for the operational and maintenance costs associated with the premises and the County is responsible for electricity expenses.
- Annual rental adjustments based upon CPI with a maximum increase of 5 percent per annum through the term of the lease.

CEO Real Estate staff conducted a survey of the area within the Wilshire Special District boundaries to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Based upon said survey, staff has established that the rental range for similar office space is between \$18.00 and \$33.00 per square foot per year with a similar level of services. Thus, the base annual rent of \$19.20 modified gross for the proposed lease amendment represents a rate within market for the mid-Wilshire area.

Attachment B shows County-owned or leased facilities within the search areas and there are no County-owned or leased facilities available for this program.

The Department of Public Works has considered this facility and found it suitable for the County's occupancy. The build-out of the space was completed in compliance with the Americans with Disabilities Act (ADA) and building codes. Additionally, the Landlord will ensure ADA path of travel requirements are met.

A child care center is not feasible for the department in the proposed leased premises.

**ENVIRONMENTAL DOCUMENTATION**

This office has made a preliminary review of environmental factors and has concluded that this project is categorically exempt from CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15061 (b) (3) if the State CEQA Guidelines.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease amendment will provide the necessary office space for this County requirement and DPSS concurs with the proposed lease amendment recommendation.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease amendment and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CEO, Real Estate Division at 222 South Hill Street, 4<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:DL:JSE  
CEM:FC:hd

Attachments (3)

c: County Counsel  
Auditor-Controller  
Department of Public Social Services  
Internal Services Department

**DEPARTMENT OF PUBLIC SOCIAL SERVICES**  
**2415 WEST SIXTH STREET, LOS ANGELES**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions? <sup>2</sup>				X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>				X
C	Does this lease centralize business support functions? <sup>2</sup>				X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>138 square feet per person. This office does not provide an opportunity for expansion space and the department does not have available funding to relocate the office at this time.</b>			X	
<b>2.</b>	<b><u>Capital</u></b>				
A	Is it a substantial net County cost (NCC) program?			X	
B	Is this a long term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment B?		X		
G	Was build-to-suit or capital project considered? <b>Lease provides favorable lease terms.</b>			X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?			X	
D	Why was this program not co-located?				X
	1. ____ The program clientele requires a "stand alone" facility.				
	2. <u>X</u> No suitable County occupied properties in project area.				
	3. ____ No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. ____ The Program is being co-located.				
E	Is lease a full service lease? <sup>2</sup> <b>Lessor refuses to pay for electricity charges.</b>			X	
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval?		X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98				

<sup>2</sup>If not, why not?

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
SPACE SEARCH WITHIN WILSHIRE DISTRICT BOUNDARIES**

LACO	FACILITY NAME	ADDRESS	SQUARE FEET		OWNERSHIP	SQUARE FEET AVAILABLE
			GROSS	NET		
X456	HIGHLAND CAMROSE BUNGALOW A	2101 N HIGHLAND AVE, HOLLYWOOD 90068	842	800	OWNED	NONE
X458	HIGHLAND CAMROSE BUNGALOW B	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
X459	HIGHLAND CAMROSE BUNGALOW C	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
X460	HIGHLAND CAMROSE BUNGALOW G	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1055	1000	OWNED	NONE
X461	HIGHLAND CAMROSE BUNGALOW H	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
X464	HIGHLAND CAMROSE BUNGALOW M	2101 N HIGHLAND AVE, HOLLYWOOD 90068	1000	950	OWNED	NONE
3969	HOLLYWOOD BOWL-ADMINISTRATION BUILDING	2301 N HIGHLAND AVE, HOLLYWOOD 90068	5137	4969	OWNED	NONE
3970	HOLLYWOOD BOWL-VOLUNTEER COTTAGE	2301 N HIGHLAND AVE, HOLLYWOOD 90068	1290	707	OWNED	NONE
4944	HOLLYWOOD BOWL-CONCESSION OFFICE	2301 N HIGHLAND AVE, HOLLYWOOD 90068	844	714	OWNED	NONE
3972	FORD AMPHITHEATRE-SPECIAL EVENTS OFFICE	2580 CAHUENGA BLVD E, HOLLYWOOD 90068	965	825	OWNED	NONE
B993	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	22544	OWNED	NONE
5461	PH-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	14811	OWNED	NONE
A674	DMH-HOLLYWOOD WELLNESS CENTER	5000 W SUNSET BLVD, LOS ANGELES 90027	5588	5309	LEASED	NONE
5805	MENTAL HEALTH COURTHOUSE	1150 N SAN FERNANDO RD, LOS ANGELES 90065	28523	16817	OWNED	NONE
C760	DPSS-EAST L.A. GROW/EMPLOYMENT SERVICES CENTER	2200 N HUMBOLDT ST, LOS ANGELES 90031	23665	17554	LEASED	NONE
A532	PH HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113027	101920	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	68872	62578	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21500	20425	LEASED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	21777	OWNED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341	OWNED	NONE
X510	PARKS & RECREATION-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24835	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BLDG (RED-TAGGED)	532 S VERMONT AVE, LOS ANGELES 90020	27179	10314	OWNED	NOT HABITABLE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	149668	OWNED	NONE
A336	SHERIFF-WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7755	7115	LEASED	NONE
A369	DCPS-PROCUREMENT AND SPECIAL SERVICES OFFICE	501 SHATTO PL, LOS ANGELES 90020	17751	15976	LEASED	NONE
A408	DCPS-THE U.S. BORAX BUILDING	3075 WILSHIRE BLVD, LOS ANGELES 90010	132488	105568	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	76304	65438	LEASED	NONE
A425	DCPS-DEPARTMENTAL HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	80756	76065	LEASED	NONE
B695	HEALTH-IMMUNIZATION PROGRAM/ENVIRONMENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	73794	69368	LEASED	NONE
C660	DPSS-GAIN PROGRAM REG IV/ MEDICAL OUTSTATION	2910 W BEVERLY BLVD, LOS ANGELES 90057	120327	33635	LEASED	NONE
B500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8000	7200	PERMIT	NONE
A600	CENTRAL CIVIL JUSTICE COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	208799	156237	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140	LEASED	NONE
B622	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE

**AMENDMENT NO. 1 AND EXERCISE  
OF FIRST OPTION TO RENEW LEASE NO. 70957  
DEPARTMENT OF PUBLIC SOCIAL SERVICES**

**THIS AMENDMENT NO. 1 AND EXERCISE OF OPTION TO RENEW LEASE NO. 70957 ("Amendment" or "Amendment No. 1") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between ISAAC MORADI, ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("Lessee").**

**RECITALS:**

**WHEREAS**, on August 19, 1997, Lease No. 70957 (the "Lease") was entered into by and between ISAAC MORADI, as Lessor and the COUNTY OF LOS ANGELES, as Lessee to lease approximately 46,228 rentable square feet of office space commonly known as (the "Premises") in the building located at 2415 W. 6<sup>th</sup> Street, Los Angeles, California (the "Building"), for a term of ten (10) years (the "Initial Term") from April 23, 1998, to April 22, 2008;

**WHEREAS**, Lessor, and Lessee desire to amend the Lease for the purpose of extending the term of the Lease and modifying certain provisions of the Lease as set forth herein; and

**WHEREAS**, pursuant to Paragraph 2, TERM, subparagraph B, Option to Renew, of the Lease, Lessee now desires to exercise its option to renew thereby extending the Lease for an additional five (5) years, and Lessor is in agreement with extending and amending the term pursuant to Paragraph 2 herein;

**WHEREAS**, Lessor and Lessee desire to amend Paragraph 2, TERM, by adding a Second Option to Renew for an additional five (5) years;

**WHEREAS**, Lessor and Lessee desire to amend Paragraph 3, RENT, to reflect the rent to be paid during the Extended Term of the Lease and thereafter;

**WHEREAS**, Lessor and Lessee desire to amend Paragraph 5, CANCELLATION, to reflect the cancellation provision for the extended Lease term.

**WHEREAS**, Lessor and Lessee desire to amend Paragraph 15, NOTICES, to reflect the proper notice information for the Lessor;

**WHEREAS**, Lessor and Lessee desire to amend Paragraph 26, TENANT IMPROVEMENTS, to reflect agreed upon improvements for the Extended Term;

**WHEREAS**, Lessor and Lessee desire to amend Paragraph 28, RENTAL ADJUSTMENT, to reflect the proper rental adjustment to be used during the Extended Term of the Lease and thereafter;



## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, and are intended to be legally bound, Lessor and Lessee hereby covenant and agree to amend Lease No. 70957 as follows:

1. Paragraph 2, TERM, is hereby amended as to Subsections A and B, and Subsections C and D are hereby added:

A. Initial Term: Subsection A, is hereby amended to reflect "Initial Term" and the remainder of the language remains as stated in the Lease.

B. Option to Renew: The existing Option to Renew has been exercised as set forth in this Amendment.

C. Extended Term: Lessee desires to exercise and Lessor is in agreement with Lessee exercising its Option to Renew as described in the Lease. As such, the Extended Term of the Lease shall be for a period of five (5) years commencing upon approval of this Amendment by the Board of Supervisors (the "**Extended Term Commencement Date**"), and ending five years thereafter.

D. Second Option to Renew: Lessee shall have the option to renew this Lease for a period of five (5) years (the "Second Option Term") under the same terms and conditions except that the rental rate for the Second Option Term shall be adjusted by negotiation not to exceed ninety-five percent (95%) of the fair rental value which Lessor could derive on the open market for a term concurrent with the Second Option Term ("**Fair Rental Rate**"). The Fair Rental Rate of the Premises shall be determined by using the rental rate prevailing for similarly-improved office space within a one (1) mile radius of the Premises for transactions consummated within the last nine (9) months immediately preceding the commencement date of the Second Option Term. If transactions for similarly improved office space cannot be identified within a one (1) mile radius of the Premises, then the search area shall be enlarged to a two (2) mile radius. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit worthiness of the Lessee, the quality of the project, the nature of the Lessee's tenant improvements and any other lease terms having an impact on rental value (including but not limited to a tenant's option to expand or purchase).

Lessee, by Chief Executive Office letter, shall notify Lessor in writing not less than one hundred fifty (150) days prior to expiration of the Extended Term of Lessee's intention to exercise its option. The actual exercise of the option shall be by the Board of Supervisors of the County of Los Angeles or by the Chief Executive Office.

2. Paragraph 3, RENT, is hereby modified and the following Subsection A and B have been added as follows:

A. Initial Term Rent: The rent language remains as stated in the Lease and is hereby incorporated under Subsection A, as amended hereby.

B. Extended Term Rent. Lessee agrees to pay as rent for said Premises the sum of SEVENTY THREE THOUSAND, NINE HUNDRED, SIXTY FOUR AND 80/100 DOLLARS (\$73,964.80) per month, i.e. \$1.60 per rentable square foot per month, during the Extended Term hereof within 15 days after a claim therefor for each such month has been filed by Lessor with the Auditor of the County of Los Angeles prior to the first day of each month. Basic rent for any partial month shall be prorated in proportion to the number of days in such month.

3. Paragraph 5, CANCELLATION, is hereby deleted in its entirety , and replaced with the following:

Lessee shall have the right to cancel this Lease at or any time after the twenty-fourth (24<sup>th</sup>) month of this Lease by giving Lessor 6 months prior written notice of its intent to cancel, by letter from Lessee's Chief Executive Office. If such cancellation right is exercised, Lessee shall reimburse Lessor no later than thirty (30) days after such cancellation in a lump sum for the unamortized amount of the cost of Lessee's requested additional tenant improvements based upon the actual costs as contained in the attached Exhibit "A", and in the event of a later cancellation that amount shall thereafter be reduced over the remaining term of the Lease based upon a five (5) year amortization period and an annual interest rate of 9% , or Lessor's contract interest rate, whichever is less.

4. Paragraph 15, NOTICES, is hereby deleted in its entirety, and replaced with the following:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

ICO Investment Group, Inc.  
9301 Wilshire Blvd., Suite No. 315  
Beverly Hills, California 90210  
Attn: Isaac Moradi  
Phone: (310) 247-0755

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors  
Kenneth Hahn Hall of Administration, Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
Attention: Director of Real Estate  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012

5. Paragraph 26 TENANT IMPROVEMENTS, is hereby deleted in its entirety, and replaced with the following:

A. Lessee acknowledges that it is already in possession of the Premises pursuant to Lease No. 70957, and that Lessor shall be deemed to have delivered possession of the Premises to Lessee on the Extended Term Commencement Date in an "as-is" condition with no alterations or improvements being made by Lessor except the following:

Lessor shall, at Lessor's cost, following the Extended Term Commencement Date, perform the work more particularly described in Exhibit A attached hereto and incorporated herein by this reference (collectively, the "**Lessor Work**"). The Lessor Work shall be performed using Building standard materials, procedures and specifications, as set forth in Exhibit A hereto. Lessor agrees to perform the Lessor Work before 7:00 a.m. or after 7:00 p.m. on Mondays through Fridays and/or at any time on the weekends. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the construction of the Lessor Work. Notwithstanding the immediately preceding sentence, in connection with the performance of the Lessor Work, Lessor agrees to move, to the extent necessary, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Lessor Work; provided, however, Lessee shall be required to move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Lessor Work in a manner so as to minimize unreasonable interference with Lessee's business at the Premises. Lessor shall endeavor to perform all work within three (3) months of approval of this Amendment by Lessee's Board of Supervisors.

6. Paragraph 28, RENTAL ADJUSTMENT, is hereby deleted in its entirety, and replaced with the following:

A. CPI. From and after the first anniversary of the Extended Term Commencement Date, on the first day of the first full calendar month thereafter (the

"Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Extended Term Rent shall be adjusted by applying the CPI Formula set forth below.

B. CPI Formula. The "Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "**Base Index**" shall be the Index published for the month the Extended Term commences. The "**CPI Formula**" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the Extended Term Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

C. Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\begin{aligned} & \frac{\text{New Index}}{[\text{Base Index}]} \quad \times \$73,964.80 \text{ (Base Extended Term Rent)} \\ & \pm \text{Amount needed to amortize Tenant's Additional Tenant Improvements,} \\ & \quad \text{if any} \\ & \pm \text{Amount needed to amortize change order costs, if any} \\ & = \text{Monthly Base Rent} \end{aligned}$$

D. Limitations on CPI Adjustment. In no event shall the monthly Base Extended Term Rent adjustment based upon the CPI Formula result in an annual increase greater than five percent (5%) per year of the monthly Base Extended Term Rent of \$73,964.80 (i.e., not greater than \$3,698.24 per month annually).

7. Original Lease in Full Force. Notwithstanding anything to the contrary herein, all of the terms and conditions contained in the Lease, which are not modified by this Amendment shall remain in full force and effect. In the event of a conflict between the Lease and this Amendment, the terms of this Amendment shall control.

**IN WITNESS WHEREOF**, the Lessor has executed this Amendment or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested to by the Clerk thereof the day, month, and year first above written.

**"LESSOR"**

**ISAAC MORADI**

By: 

Its: President

8/22/08

**"LESSEE"**

**COUNTY OF LOS ANGELES,**  
a body corporate and politic

By: \_\_\_\_\_

Name: DON KNABE

Its: Chairman, Board of Supervisors

**ATTEST:**

SACHI A. HAMAI,  
Executive Officer-Clerk of the Board of Supervisors

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

RAYMOND G. FORTNER, JR.,  
County Counsel

By: 

Deputy County Counsel

## **EXHIBIT A**

### **TENANT IMPROVEMENTS**

Lessor, at Lessor's sole cost and expense, shall perform the following Tenant Improvements in the Premises, utilizing Lessee's current standard grade, quality, make, style, design and color materials and construction methods for the Building, as applicable:

#### **Paint:**

- A. Paint all existing interior spaces including, but not limited to walls, ceilings, doors, and trim. Provide one primer coat and two finish coats.
- B. Provide one base color:
  - Office areas: eggshell or low sheen finish.
  - Restrooms, lunchrooms and breakrooms: semi-gloss.
- C. Specify Dunn Edwards, or approved equal.

#### **Carpet:**

- A. Install new carpet throughout, including corridors and existing stairways, where carpet is currently installed.
- B. Carpet shall be textured, patterned modular carpet tile, 24oz. minimum yarn weight throughout. Allow for four (4) patterns.
- C. Specify Mannington, Masland, Designweave, Shaw Contract, or approved equal.
- D. Lessor will be responsible for the furniture lift for carpet replacement, including moving any furniture, fixtures, and/or equipment (including the disconnection of electrical equipment), and other property which Lessor or its contractor may require be moved to perform the work, provided however, that upon prior notice from Lessor or its contractor, Lessee shall arrange for all appropriate telephone, communication and computer wires or cables to be disconnected in advance of the moving of such equipment. Lessor and Lessee hereby agree to cooperate with the other party and exercise reasonable, good faith efforts to coordinate the timing and planning of the Tenant Improvement work.

#### **Stock Room Conversion to Office Space:**

- A. Per plans and specifications to be forthcoming.

#### **Miscellaneous Other:**

- A. Exit signs must be illuminated.
- B. Handicap parking stall –must have ADA sign posted.
- C. Add additional light fixtures to interview booth area on the 1<sup>st</sup> floor.